

SESSION OF 2002

## SUPPLEMENTAL NOTE ON HOUSE BILL NO. 3032

As Amended by House Committee on  
Taxation

### **Brief\***

HB 3032, as amended, would impose an additional local compensating use tax on motor vehicles purchased in the state that would be applicable to the extent that the combined local sales tax rates imposed on the situs of such vehicles (the residences or places of business of purchasers) exceeds the combined local rates imposed at the locations of the vehicle purchases.

Any such additional tax imposed would be collected by county treasurers at the time the vehicles are registered. All laws and rules and regulations of the Department of Revenue relating to the use tax would apply to the additional use tax insofar as they may be made applicable.

Revenues from the tax received by counties would be required to be apportioned according to the existing formulas for distribution of countywide sales and use taxes.

### **Background**

The original bill would have amended the sales and use tax laws to shift the situs of transactions relating to motor vehicles such that the entire local tax would have been collected by county treasurers at the time of registration and computed based upon the rates in effect at the residences or places of business of the purchasers.

The House Taxation Committee amended the bill to retain provisions of law requiring that local sales taxes be collected at the location of the motor vehicle purchases and to require instead that an

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\*Supplemental notes are prepared by the Legislative Research Department and do not express legislative intent. The supplemental note and fiscal note for this bill may be accessed on the Internet at <http://www.kslegislature.org/cgi-bin/fulltext/bills.cgi>

additional local use tax apply to the extent rates imposed on the situs of such vehicles are higher.